

FINAL EVALUATION OF THE PUBLIC FINANCE MANAGEMENT SUPPORT PROGRAMME FOR UKRAINE



EU4PFM PROGRAMME OVERVIEW

Budget: 55 million EURO

Duration: 2017-2026

Overall Objective: To enhance Public Finance management in Ukraine, thereby improving public service delivery and the business climate.

KEY CONTRACTS



Contract 1: Strengthening Fiscal Institutions in Ukraine | Management: Direct management by IMF

Project: EU4PFM: Strengthening Fiscal Institutions in Ukraine (Component 3: Revenue Mobilization)

Timeline and Budget: May 2021 – November 2024, \$1.35 Million

Objective: To advance fiscal reforms, strengthen institutions, and support Ukraine under wartime conditions.



Contract 2: The Recovery Spending Watchdog | Management: Direct Award Grant implemented by a consortium of Ukrainian CSOs

Project: Ensuring Transparency in Ukraine's Reconstruction

Timeline and Budget: June 2023 – December 2025, EUR 2,176,580

Objective: To strengthen efficient and effective public spending on recovery and reconstruction (civil society monitoring project).



Contract 3: Strengthening Public Resource Management in Ukraine | Management: Indirect Management with WB Group

Project: EU4PFM: Activities Trust Fund (Component 2: Activities through the EC – World Bank Partnership Program)

Timeline and Budget: October 2020 – December 2025, 6,000,000 EUR

Objective: To support Ukraine's macroeconomic stability, improve public investment management, HR systems, and SOE governance.



Contract 4: Public Finance Management Support Programme for Ukraine (EU4PFM), components 1, 3 and 4: Indirect Management with CPMA

Project: Public Finance Management Support Programme for Ukraine (EU4PFM), components 1, 3 and 4

Timeline and Budget: December 2018 – December 2025, 36,985 million EURO

Components:

- 1: Support relevant national institutions in the improvement of budget preparation, implementation and control.
- 3: Support the further development of a modern, efficient and fair revenue collection system
- 4: Support relevant PFM institutions in the enhancement of their organizational capacities.
- 5: Strengthen resilience and build capacities to respond to war-generated impacts.

Objective: To improve Public Finance Management in Ukraine (PFM), thereby ultimately improving public service delivery and the business climate and to strengthen Ukraine's resilience by responding to urgent needs by the Ukrainian authorities resulting from the Russian war of aggression in Ukraine



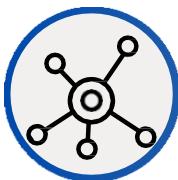
5: Strengthening Capacities in External Audit in Line with International Standards in Ukraine (EU4ACU) | Project Implementing Partner: DAI Global Austria

Timeline and Budget: 2020 – 2024, 2,699,375.00 EUR

Components: Legislative Approximation & Regulatory Changes; Institutional Development; Improved Audit Methodology (Financial, Compliance, Performance Audits); Strengthened Follow-up Mechanisms & Communication of ACU's Results

Objective: to enhance the ACU ability to conduct effective external audits of public funds in accordance with international standards

FINDINGS, RECOMMENDATIONS AND LESSONS LEARNED



Relevance

Findings: Highly relevant and aligned with Ukraine's PFM Strategy and EU strategy. Effectively responded to Ukraine's needs, especially during the war.

Recommendations: Better exploit progress reports to identify and document stakeholder capacity gaps.

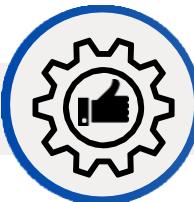


Coherence

Findings: Strong coherence with EU strategies and policies. Adapted well to the war context but faced challenges in coordination with broader reforms.

Recommendations: Establish high-level coordination and develop a centralized digital platform for communication. Encourage national stakeholders to invest more in donor coordination and capacity-building.

Lessons Learned: Effective coherence involves multiple donor initiatives and maintaining the involvement of civil society and business.



Relevance

Findings: High overall effectiveness with significant results achieved by various projects. Strong stakeholder engagement and efficient risk management.

Recommendations: Implement strategic communication projects and simplify managerial arrangements. Continue support for strengthening national ownership and



Sustainability

Findings: High potential for sustainability with deliverables designed for long-term needs. Requires ongoing maintenance, financial and human resources, and continued EU support.

Recommendations: Secure financial and human resources for reform sustainability. Continue EU financial support and consider using investment instruments.



Impact

Findings: Promising impact with stronger stakeholder engagement and encouragement for continued reforms. High-level political support and continued EU funding are crucial.

Recommendations: Continued support and funding are needed for sustained impact.



Visibility

Findings: High visibility through traditional and social media. Outreach to CSOs and business representatives could be improved.

Recommendations: Improve coordination on visibility among funding partners and stakeholders. Expand presence to platforms like LinkedIn and develop a dedicated visibility campaign.

Lessons Learned: Ability to react in crisis includes delivery of digital products (e.g., HRMIS case) and a unified visibility strategy.



Digital Transformation Support

Recommendations: Focus EU support on the development of HRMIS and merging of databases. Consider outsourcing database management to an independent third party.



Minimization of Complex Managerial Arrangements

Recommendations: Reduce complex structures to lower transaction costs and improve outcomes.

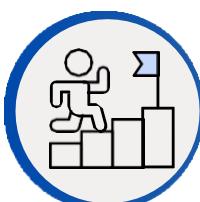


EU's Added Value

Findings: High added value with involvement of EU experts and resources appreciated by beneficiaries

Recommendations: Continue EU support for PFM Strategy and consider extending EU4PFM activities.

Lessons Learned: Involving experts with hands-on experience in EU harmonization enhances donor support and ensures continued progress of PFM reform.



Feedback from End Beneficiaries

Lessons Learned: Importance of support to beneficiary institutions in planning, programming, and monitoring of PFM reforms.

Challenges

Findings: Changes in government, political will, COVID-19, and war were key challenges.